GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:2241
ANSWERED ON:07.12.2006
FOOD PROCESSING INDUSTRY
Barman Shri Hiten

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the Government has made the food processing industry a priority sector for bank lending;

(b) if so, the details thereof; and

(c) the benefits likely to accrue to the industry thereby?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI)

(a) & (b) The Government has included food and agro based processing units of small and medium size with investment in plant and machinery upto Rs.5 crores under priority sector for bank lending. The priority sector lending would include fruit and vegetable processing, food grain milling, dairy products, poultry, eggs and meat products, fish processing, consumer items such a s bread, biscuits, confectionery, ready to eat food products, oil seeds, aerated water/soft drinks and other processed foods.

(c): Under the priority sector, the units get loans at a lower rate of interest and also enjoy priority status in loan approvals. The lower lending rate to the food processing sector means increased flow of bank credit to the industry, augmentation of the food processing capacity of the country and facilitate viability of the units in this sector.